THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) and (b) The global recession adversely impacted the Indian economy, including the micro, small and medium enterprises (MSMEs). However, the number of employees retrenched from MSMEs owing to global recession is not maintained centrally.

(c) In the wake of global recession, the major problems faced by micro and small enterprises (MSEs) relate to slackening of demand for their products/services, especially reduction in export-related orders, and delayed payments of dues by large units.

(d) As per the latest estimates available, the MSE sector registered a growth of 13 per cent in production during 2007-08. The comparative production data for medium enterprises is not available.

**Specialized khadi institution for SCs and STs**

1012. DR. ABHISHEK MANU SINGHVI:
SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether any specialized khadi institutions are set up or fully supported by Khadi and Village Industries Commission exclusively for scheduled castes and scheduled tribes;

(b) if so, the penetration of KVIC in hilly areas where raw-material and traditional expertise availability is comparatively more diverse in quantity and traditional arts and crafts; and

(c) as the sale through KVIC outlets in North-Eastern sector is restricted due to less tourism activity, whether KVIC is subsidizing production operations with a view to utilizing optimum local employment potential?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) Yes, Sir. There are 154 khadi institutions having predominantly scheduled castes and scheduled tribes population, registered with the Khadi and Village Industries Commission (KVIC).

(b) The khadi programme is implemented through the khadi institutions registered under the Societies Registration Act, 1860 and enlisted with KVIC/Khadi and Village Industries Boards (KVIBs) of States/Union Territories. There are 50 khadi institutions functioning in various hilly and border areas, which are working primarily by using local manpower, raw materials and expertise.

(c) Although there is no separate scheme for subsidizing KVI production operations in the North-Eastern Region (NER), production operations of the khadi institutions in NER, as a special case, are supported by providing khadi loans from the budgetary sources of the Government to meet the working capital requirement of the khadi institutions of the region. In

addition, the khadi institutions of the NER are also eligible to avail loans towards working capital from the banks as per their assessed requirements at concessional rate of interest under the Interest Subsidy Eligibility Certificate (ISEC) Scheme, where the institutions have to bear interest liability only at the rate of 4 per cent per annum while the difference between the actual lending rate and 4 per cent is borne and paid by the Central Government through KVIC to the lending bank directly.

Also under the recently introduced 'Prime Minister's Employment Generation Programme' (PMEGP), under which entrepreneurs can establish 'micro enterprises' as defined in the "Micro, Small and Medium Enterprises Development Act, 2006", in the rural as well as urban areas throughout the country and the entrepreneurs in NER are required to bring in lower beneficiary contribution and avail higher margin money assistance under special category as shown in the table below:—

| Categories of beneficiaries under PMEGP | Beneficiary's Contribution (of project cost) | Rate of Subsidy (of project cost) | |
|---|---|---|---|
| | | Urban | Rural |
| Area (location of project/unit) | | | |
| General Category | 10% | 15% | 25% |
| Special Category (including SC/ST/OBC/ Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.) | 05% | 25% | 35% |

**Sick industries in Andhra Pradesh**

1013. SHRI NANDAMURI HARIKRISHNA:
SHRI M.V. MYSURA REDDY:
SHRI PENUMALLI MADHU:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that more than 5,500 micro, small and medium units are sick in the State of Andhra Pradesh;

(b) whether it is also a fact that more than 38,500 micro, small and medium enterprises in Andhra Pradesh are closed;

(c) if so, the number of people who have become unemployed and the number of families affected due to (a) and (b) above; and

(d) whether his Ministry is planning to address this problem and help the above units?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) to (c) As per the data compiled by the Reserve